



**HALF YEAR TRADING STATEMENT FOR THE SIX MONTHS
TO 22 NOVEMBER 2009**

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Tragus Group Limited (“Tragus”) is one of the UK’s largest casual dining restaurant chain operators with over 280 sites across the country, serving over 20 million meals every year. Tragus operates primarily under the Café Rouge, Bella Italia and Strada formats in the UK.

Following the publication last October of the 2009 annual review for the year to the end of May 2009, I am pleased to provide a half yearly update on the performance of the Group to 22 November 2009 and a summary of further developments.

TRADING

We have traded in line with expectations in what continues to be a tough economic climate for consumer led businesses, with overall revenue growth of 3.6% in the first half of the year.

Following the end of the half year, the key Christmas and New Year trading period for the four weeks ended 3rd January 2010 saw an increase in like for like sales in Tragus’ key brands of Café Rouge, Bella Italia and Strada (238 restaurants) of 3.7%.

We have sought to support our customers in this difficult economic landscape with further improved value propositions. We have set menu deals in place for all key brands and have also undertaken a number of successful promotions to encourage customer traffic during quieter trading days.

Input cost increases and inflationary pressures have eased somewhat compared to last year.

STRATEGY

In the half year, we have opened six new restaurants – four Café Rouge’s in Gatwick South Terminal, Heathrow Terminal 4, Witney and Cardiff, a Bella Italia in Dunfermline and a Strada in Cobham. I am pleased to report that all these sites are trading ahead of budgeted expectations.

We remain on target to open a further nine restaurants in the second half of the year, two of which – a Café Rouge in Bristol and a Bella Italia in Coventry – are already open and trading well. Our growing concessions business now includes five airport sites in addition to nine restaurants in Center Parcs.

New legislation on the handling of tips and service charge in relation to National Minimum Wage came into effect on 1st October 2009. We have adopted industry best practice with regards to our tips and service charge policy, including communication to staff and customers, and are fully compliant with the legislation.

CORPORATE SOCIAL RESPONSIBILITY

Tragus acknowledges it has a role to play in contributing to and protecting the people, communities and environments in which it operates.

We have commenced work on preparation for the first phase of the Carbon Reduction Commitment Energy Efficiency Scheme which commences in April 2010. We have already made savings in night time energy usage and are rolling out a number of initiatives to further reduce usage.

OUTLOOK

Our range of popular brands and value for money offering means we are well placed to benefit as the UK economy strengthens.

We continue to seek opportunities for expansion by taking advantage of our strong liquidity position and expect to open nine new restaurants in the second half year, including a number of prime sites in central London.

We will continue to develop our menus in line with consumer demand and run targeted marketing initiatives.

We remain positive about the casual dining market in the UK with changing socio-economic factors continuing to have a positive impact on dining patterns. These include more female and family friendly restaurants, shifts in work life balance as well as an ageing population.

The performance of our brands during the Christmas and New Year period was encouraging but we remain cautious on the overall economic outlook for the UK.

Graham Turner
Chief Executive Officer

Background

Tragus www.tragusgroup.com

Tragus Group Limited (“Tragus”) is one of the largest casual dining restaurant chain operators in the UK, with over 280 sites across the country serving over 20 million meals every year. Tragus operates primarily under the Café Rouge, Bella Italia and Strada formats in the UK.

Café Rouge (110 sites), www.caferouge.co.uk

Café Rouge is the UK’s only established national French restaurant brand, with sites designed to provide the look and feel of a classic Parisian bistro and a menu that includes steak frites, moules and tarte tatin. Café Rouge is predominantly a high street brand but it also operates successfully within a retail and concessionary environment.

Strada (70 sites), www.strada.co.uk,

Strada is a group of contemporary Italian restaurants located on the high street serving good quality, simple, freshly prepared dishes using the finest seasonal produce. The menu offers hand stretched pizzas, pastas, risotto and grilled meat and fish dishes.

Bella Italia (83 sites), www.bellaitalia.co.uk

Bella Italia is an all-day Italian trattoria with a rustic ambience. Its restaurants are in prime locations predominantly on the high street but it also operates from leisure park sites. In addition to classic pizzas and pasta its broad menu also includes a range of grill main courses, sandwiches and salads.

Brasseries (18 sites)

Tragus also operates 18 Brasseries under the brands Huxleys, Belgo, Abbaye, Amalfi, Oriel, Potters and Ortega.

* Site numbers as at 22nd November 2009